

## Message Text

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ACTION EUR-12

INFO OCT-01 EA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-08  
FRB-03 INR-10 NSAE-00 ICA-11 XMB-02 OPIC-03 SP-02  
LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07 CEA-01  
/101 W

-----011876 040239Z /73

R 031525Z JUL 78  
FM AMEMBASSY ROME  
TO SECSTATE WASHDC 3984  
TREASURY DEPT WASHDC  
INFO AMEMBASSY BERN  
AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY LONDON  
AMCONSUL MILAN  
AMCONSUL NAPLES  
AMEMBASSY PARIS  
AMEMBASSY THE HAGUE  
AMEMBASSY TOKYO

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PASS FRB; BRUSSELS FOR USEEC; PARIS FOR USOECD

E.O. 11652: N/A  
TAGS: EFIN, IT  
SUBJECT: FINANCIAL MARKET DEVELOPMENTS (78-6)

1. ITALIAN INTERNATIONAL MONETARY MOVEMENTS THROUGH MAY SHOW  
AN OVERALL BALANCE OF PAYMENTS SURPLUS FOR THE FIRST FIVE  
MONTHS OF 1978 OF \$1.9 BILLION, AS COMPARED WITH A DEFICIT  
OF \$2.3 BILLION FOR THE SAME PERIOD LAST YEAR. WITH THE MAY  
SURPLUS (OF \$831 MILLION) THE BALANCE OF PAYMENTS HAS BEEN  
IN SURPLUS FOR TWELVE CONSECUTIVE MONTHS.

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2. WHILE COMPLETE ABOVE-THE-LINE DATA THROUGH MAY ARE NOT  
AVAILABLE, INDICATIONS ARE THAT THE UNDERLYING TRENDS OF PREVIOUS  
MONTHS, I.E., SURPLUS ON TRADE ACCOUNT PLUS CAPITAL INFLOWS,  
WERE RESPONSIBLE FOR THE MAY SURPLUS.

3. TABLE 1 MONETARY MOVEMENTS (1) (MILLIONS OF DOLLARS)  
APR 1-30 MAY 1-31 JAN 1-MAY 31

## 1. BOI/UIC

GOLD	-	-	1,607.9
CONV. FOR.EX.	609.3	892.4	317.9
OTHER	-27.2	109.2	-29.2
TOTAL BOI/UIC	582.1	1,001.6	1,896.6

## 2. COMM. BANKS' NET

FOREIGN POSITION	-320.1	-171.1	9.9
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## 3. SURPLUS/DEFICIT 262.0 830.5 1,906.5

(1) INCLUDES GOLD STOCK REVALUATION OF \$1,607.9 MILLION IN THE PERIOD JANUARY-MAY. EQUAL CONTINGENT LIABILITY INCLUDED IN "OTHER."

## 4. TABLE 2- FOREIGN RESERVE POSITION (MILLIONS OF DOLLARS)

	1977	1978	1978
	DEC. 31	APR. 30	MAY 31

## 1. BOI/UIC

GOLD	11,260.0	12,867.9	12,867.9
CONV. FOR. EX.	7,960.0	7,385.5	8,277.9
OTHER (1)	-5,585.6	-4,116.1	-4,006.9
TOTAL BOI/UIC	13,634.4	16,137.3	17,138.9

## 2. COMMERICAL BANKS' NET

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FOREIGN POSITION	-6,573.3	-6,392.3	-6,563.4
TOTAL	7,061.1	9,745.0	10,575.5

(1) INCLUDES LIABILITIES TO EC, BUNDESBANK AND IMF.

## 5. TABLE 3 - EXTRAORDINARY TRANSACTIONS (MILLIONS OF DOLLARS)

	APRIL 1-30	MAY 1-31	JAN 1-MAY 31
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IMF POSITION	-	-	195.7
IMF (1974) STANDBY	-	-	-371.0
IMF (1977) STANDBY	-	-	-
IMF OIL FACILITY	-	-	-52.2
BUNDESBANK GOLD LOAN	-	-	-500.0
EC LOAN	-	-	-349.6
GOLD REVALUATIONS	-	-	1,607.9
EUROMARKET LOANDS	-44.0	-98.8	-172.0

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FINANCIAL MARKETS, FINANCIAL TRENDS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978ROME12279  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** ALSO FOR USOECD  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780274-1070  
**Format:** TEL  
**From:** ROME  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780799/aaaadfqi.tel  
**Line Count:** 111  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 01cd7c7b-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2126285  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FINANCIAL MARKET DEVELOPMENTS (78-6)  
**TAGS:** EFIN, IT  
**To:** STATE TRSY MULTIPLE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/01cd7c7b-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014